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**From:** McEvoy, Molly [mcevoy.molly@epa.gov]  
**Sent:** 7/13/2021 2:00:38 PM  
**To:** Dorsey, Nancy [Dorsey.Nancy@epa.gov]; Nobbay, Andrew [Andrew\_Nobbay@oxy.com]  
**CC:** Johnson, Ken-E [Johnson.Ken-E@epa.gov]; Campbell, William M [William\_Campbell2@oxy.com]; Watson, Kelly R [kelly\_watson@oxy.com]; Sutton, Daniel M [Daniel\_Sutton@oxy.com]; Ussery, Ian [Ussery.Ian@epa.gov]; Yun, Samuel [Yun.Samuel@epa.gov]; Ray, Lauren [Ray.Lauren@epa.gov]; Anderson, Eric [Anderson.Eric@epa.gov]; Friesenhahn, Brody [friesenhahn.brody@epa.gov]; Bierschenk, Arnold [bierschenk.arnold@epa.gov]; Ellinger, Scott [Ellinger.Scott@epa.gov]; Bates, William [bates.william@epa.gov]; Kobelski, Bruce [Kobelski.Bruce@epa.gov]; Feuer, Daniel [Feuer.Daniel@epa.gov]  
**Subject:** RE: Introducing UIC Class VI Permit Applicant

Hi Andrew,

Thank you for reaching out and introducing your group. As Nancy noted, Louisiana is pursuing Class VI primacy, and the state may have guidance and/or requirements for financial responsibility that go beyond the requirements in the federal Class VI regulations. However, I can provide some general FR information that pertains to the federal program.

Per 40 CFR 146.85(a)(5)(i), the UIC Director (of the Class VI permitting authority) will need to consider and approve the financial responsibility demonstration for all phases of the Class VI project prior to issuing a permit. With the initial permit application, EPA will need to review accurate cost estimates, which feed into financial responsibility demonstrations, along with an indication of which FR instruments you intend to use for each phase of the project. Prior to issuing the permit, Regions have flexibility in determining when they need to review draft and final FR demonstration materials and what demonstrations are acceptable based on a given project's needs.

To discuss any additional questions you have related to the specific FR needs for your project, a follow-up meeting with Region 6 may be most helpful. We can work to set that up if you would like.

Best regards,  
Molly

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Molly McEvoy (she/her)  
Office of Ground Water & Drinking Water  
U.S. Environmental Protection Agency  
Washington, D.C.  
Phone: 202-564-4765

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**From:** Dorsey, Nancy <Dorsey.Nancy@epa.gov>  
**Sent:** Friday, July 2, 2021 12:11 PM  
**To:** Nobbay, Andrew <Andrew\_Nobbay@oxy.com>; McEvoy, Molly <mcevoy.molly@epa.gov>  
**Cc:** Johnson, Ken-E <Johnson.Ken-E@epa.gov>; Campbell, William M <William\_Campbell2@oxy.com>; Watson, Kelly R <Kelly\_Watson@oxy.com>; Sutton, Daniel M <Daniel\_Sutton@oxy.com>; Ussery, Ian <Ussery.Ian@epa.gov>; Yun, Samuel <Yun.Samuel@epa.gov>; Ray, Lauren <Ray.Lauren@epa.gov>; Anderson, Eric <Anderson.Eric@epa.gov>; Friesenhahn, Brody <friesenhahn.brody@epa.gov>; Bierschenk, Arnold <bierschenk.arnold@epa.gov>; Ellinger, Scott <Ellinger.Scott@epa.gov>  
**Subject:** RE: Introducing UIC Class VI Permit Applicant

Dear Andrew,

Hopefully, Molly can answer your Financial questions! I would like to say that as a technical reviewer, we prefer to start with the geology as the basis, then move to the modeling which drives virtually every aspect of the application—including the financial coverage.

Louisiana does not permit all types of financial assurance that EPA does. As they will be receiving primacy at some point, it would be wise to verify what they will accept. I know it is in one of the documents in our package of regional draft links, hints and cross-walks, but don't remember if it is the cheat sheet or specific cross-walk. I suspect the latter, which cross-references some of their rules. If you need me to reshare the package or want to be a recipient of periodic updates, please let me know.

Regards,  
Nancy

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UIC Webpages:

<https://www.epa.gov/uic>

<http://www.epa.gov/uic/underground-injection-control-epa-region-6-ar-la-nm-ok-and-tx>

<http://www.epa.gov/uic/guidance-documents-completing-class-i-injection-well-no-migration-petitions>

*Managing and Minimizing Potential of Injection-Induced Seismicity from Class II Disposal: Practical Approaches:* <http://www.epa.gov/uic/underground-injection-control-national-technical-workgroup-final-issue-papers>

*Monitoring Injection Wells—Basic Hall integral Method:*

[https://www.iris.edu/hq/inclass/animation/monitoring\\_injection\\_wellsbasic\\_hall\\_integral\\_method](https://www.iris.edu/hq/inclass/animation/monitoring_injection_wellsbasic_hall_integral_method)

For Class VI applicants, EPA is a regulatory agency and not a research agency. We will not pass on any privileged or commercially valuable information. We will not suggest locations nor supply information. We will answer reasonable questions. It is up to the applicants to research, collect and model scenarios based on their own site-specific data and conditions to meet EPA regulatory standards. This does not prevent us from cautioning against certain locations which have been previously shown to be potentially unsuitable reservoirs through various investigations in other well class permitting actions. You will find many of your answers in the official Guidance documents on the EPA webpage.

*Class VI Injection Wells:*

<https://www.epa.gov/uic/federal-requirements-under-underground-injection-control-uic-program-carbon-dioxide-co2-geologic>

<https://www.epa.gov/uic/final-class-vi-guidance-documents>

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**From:** Nobbay, Andrew <Andrew\_Nobbay@oxy.com>

**Sent:** Friday, July 2, 2021 10:50 AM

**To:** McEvoy, Molly <mcevoy.molly@epa.gov>

**Cc:** Johnson, Ken-E <Johnson.Ken-E@epa.gov>; Dorsey, Nancy <Dorsey.Nancy@epa.gov>; Campbell, William M <William\_Campbell2@oxy.com>; Watson, Kelly R <Kelly\_Watson@oxy.com>; Sutton, Daniel M

<Daniel\_Sutton@oxy.com>

**Subject:** Introducing UIC Class VI Permit Applicant

Dear Molly,

Please allow me to introduce myself and some of our team members at Oxy Low Carbon Ventures (OLCV) working on our Class VI permit application in Western LA., Ref R6-LA-0004.

I'm Andrew Nobbay, Commercial Director with OLCV's Services team, working primarily on Financial Assurance (FA) for the application. I'm copying a few colleagues:

- Bill Campbell, Operations Director. Bill has overall responsibility for this application
- Kelly Watson, Sr. Facilities Engineer. Kelly is coordinating technical, operational and cost information and is our primary contact point with EPA for this application
- Daniel Sutton, Manager Strategy and Sustainability. Daniel is working on multiple financial and economic analyses and internal processes for the project

After extensive work on the technical and operational aspects of our application, we have also made some progress in the financial and administrative areas. We have completed internal reviews and an initial outline of the FA plan, and have opened our new file using the GSDD tool (and obtained the ref. file number R6-LA-0004)

I am tasked with working with EPA to obtain approval for our FA plan. I believe I've done my homework, having read the published FA guidance, FA research and analysis, UIC Directors Implementation Manual and other materials, and having engaged with a number of internal and external individuals and groups.

I'd like to ask the following detailed questions regarding the timing and format of the FA instruments (LoC and third-party insurance) which we are getting ready to propose. We would be happy to review these questions, and any additional guidance you may have, on a phone call if convenient for you.

Specifically, with respect to LoC's, I am hoping to get your guidance regarding:

- Confirmation of the stage in the permitting process at which time the final LoC must be issued to EPA.
- The information, if any, the EPA needs to review in the issuing bank's final review draft LoC before it is issued to EPA.
- Will the standby trust agreement also be required before the permit to construct?

With respect to third-party insurance:

- While we understand that insurance need not be bound at this stage, is there an expectation that we have formal quotes in hand at initial filing? We currently have estimated insurance premiums but have not requested formal quotes.
- Does the selection of the third-party insurer need to be completed at this stage? If selection is required, does the name of the insurer need to be provided to EPA now?

We really appreciate the friendly and open stance taken by EPA in regulating and overseeing the work we are undertaking to reduce atmospheric carbon. We were encouraged by this message last year from Region 7 on "lessons learned" on an old project, and we have incorporated these items into our approach.



## Lessons Learned

- Read the guidance documents related to GS projects that EPA has created
- As an applicant, give yourself an adequate lead time in your project for permit processing and expect the process to be no shorter than one year from the time an application is submitted to a final determination (think in terms of Class I HW and not Class II D)
- Communication is key - As an applicant, talk with EPA prior to working on the permit submission or drilling a well and EPA should be talking with the applicant both prior to and during the course of the permitting process
- Don't assume, ask
- Providing draft portions of the application for EPA to review and comment on prior to formal submission of the complete final application would have made the final permitting process go smoother and faster

Looking forward to working with you.

Regards,  
Andrew

**Dr. Andrew B. Nobbay** | Commercial Director, Oxy Low Carbon Ventures

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